

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

Terminal Objective:

At the conclusion of this module, the student will be able to discuss the Medicare Ambulance Fee Schedule Final Rule and identify strategies for optimizing reimbursement within its requirements and limitations.

Enabling Objectives:

1. Describe the historical development and programs administered by the Centers for Medicare and Medicaid Services.
2. Identify the requirements of Medicare Part B as they apply to ambulance suppliers, including:
 - Levels of Service
 - Medical Necessity
 - Physician Certification
 - Origins and Destinations
 - Vehicles and Staffing
3. Explain the basic components used to determine the Medicare Ambulance Fee Schedule, including:
 - Relative Value Unit
 - Conversion Factor
 - Emergency Response Adjustment Factor
 - Operational Variations
 - Geographic Adjustment Factor
 - Inflation Factor
 - Mileage
4. Describe the payment policies addressed in the Medicare Ambulance Fee Schedule Final Rule, including:

- Billing Codes
 - Billing Method
 - Special Circumstances
5. Calculate the base rate for various levels of service for local areas.
 6. Discuss various methods and considerations for optimizing reimbursement of claims.
 7. Identify various resources to assist organizations in training personnel and facilitate the reimbursement process.

POINTS FOR THE INSTRUCTOR

This module provides an opportunity for the students to discuss the Medicare Ambulance Fee Schedule Final Rule and develop strategies to optimize reimbursement.

The purpose of this module is to provide information on the requirements of Medicare Part B as it relates to ambulance providers and on the Final Rule. This module also provides an opportunity for students to develop and share strategies to optimize Medicare reimbursement.

Throughout the unit, the use of classroom lecture and instructor presentation is kept to a minimum. The intent of the course is to maximize active student participation and interaction. However, instructors must ensure the students have a grasp of the learning objectives for this unit and an understanding of any learning models presented prior to proceeding with the class discussion and group interaction.

METHODOLOGY

The methodology consists of lecture and class discussions.

ESTIMATED INSTRUCTIONAL TIME – 1.0 HOUR

1.0 hour

Lecture/Discussion

IG 5

AUDIOVISUAL MATERIALS

Easel chart or dry erase board

Power Point Slides for Module

INSTRUCTOR PREPARATION

Review the Instructor Guide for Module.

Review the student reading materials and appendices for Module.

Load PowerPoint slides.

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Instructor-led Class
Discussion
Slide 1 Title Slide

MODULE CONTENT AND NOTES

I. OBJECTIVES

- A. Terminal Objective – At the conclusion of this module, the student will be able to discuss the Medicare Ambulance Fee Schedule Final Rule and identify strategies for optimizing reimbursement within its requirements and limitations.
- B. Enabling Objectives
1. Describe the historical development and programs administered by the Centers for Medicare and Medicaid Services.
 2. Identify the requirements of Medicare Part B as they apply to ambulance suppliers, including:
 - Levels of Service
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 - Origins and Destinations
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 - Mileage
 4. Describe the payment policies addressed in the Medicare Ambulance Fee Schedule Final Rule, including:
 - Billing Codes
 - Billing Method
 - Special Circumstances
 5. Calculate the base rate for various levels of service for their local areas.
 6. Discuss various methods and considerations for optimizing reimbursement of claims.

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MODULE CONTENT AND NOTES

Slide 2	7. Identify resources to assist organizations in training personnel and facilitate the reimbursement process.
Slide 3	II. HISTORY OF MEDICARE ADMINISTRATION
Slide 4	A. Medicare and Medicaid established in 1965 by Social Security Act <ol style="list-style-type: none">1. Medicare covered only those over age 65 from 1965-1972, when it was expanded to cover those with disabilities.2. Medicaid provides coverage for low-income families, aged, blind, disabled, and those eligible for federally assisted income
Slide 5	B. State Children's Health Insurance Program (SCHIP) established as part of Balanced Budget Act of 1997 – allows States to provide health insurance to more children.
Slide 6	C. Administration of all three programs transferred from Social Security to Health Care Financing Administration (HCFA) under Health and Human Services in 1997.
Slide 7	D. HCFA restructured and renamed the Centers for Medicare and Medicaid Services (CMS) in 2001. <ol style="list-style-type: none">1. Fee-for service Medicare2. Medicare + Choice3. State administered programs (Medicaid/SCHIP)
Slide 8	E. Medicare and Ambulance Reimbursement <ol style="list-style-type: none">1. Balanced Budget Act (1997) charged HCFA with reformulating the ambulance fee structure through negotiated rulemaking.<ol style="list-style-type: none">a. Develop definitions linking payment to service (levels of service)b. Identify regional and operational variations

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MODULE CONTENT AND NOTES

Slide 9

- c. Develop method to phase in schedule
- d. Develop mechanisms to control increase in expenditures
- e. Account for inflation

2. Negotiated Rulemaking Committee

Ask students if they know what organizations were represented on the Negotiated Rulemaking Committee

- American Ambulance Association
- American College of Emergency Physicians
- National Association of EMS Physicians
- American Health Care Association
- American Hospital Association
- Association of Air Medical Services
- International Association of Firefighters
- International Association of Fire Chiefs
- National Association of Counties
- National Association of State Emergency Medical Services Directors
- National Volunteer Fire Council

Tell students the minutes of the Committee are available on line at:
<http://www.hcfa.gov/medicare/ambmain.htm>

Slide 10

III. MEDICARE PART B

A. Levels of Service

As you go through the levels of service, ask students to define what constitutes each level before bringing up slide.

Slide 11

Slide 12

Slide 13

1. BLS – EMT-B
2. ALS1 – at least one ALS intervention (including ALS assessment)
3. ALS2 – Administration of at least 3 IV push or drip medications or at least one of following procedures
 - a. Manual defibrillation/cardioversion
 - b. Endotracheal intubation
 - c. Central venous line

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MODULE CONTENT AND NOTES

	<ul style="list-style-type: none"> d. Cardiac pacing e. Chest decompression f. Surgical airway g. Intraosseous line
Slide 14	4. Specialty Care Transport (SCT) – interfacility transport requiring level beyond scope of paramedic.
Slide 15	5. Paramedic Intercept (PI) – paramedic services by non-transporting entity
	<div style="border: 1px solid black; padding: 10px;"> <p>Ask students if they know the limitations of paramedic intercept.</p> <ul style="list-style-type: none"> • Certified ALS service • Qualified to provide Medicare services • Bills all recipients of services regardless of Medicare status • Service must be in designated rural area • Service must be provided under contract with volunteer services that furnish only BLS level care and are prohibited by State law from billing for any services. <p>Tell students because of these restrictions, only New York State meets the statutory requirements at the time of the final rule's release.</p> </div>
Slide 16	<ul style="list-style-type: none"> 6. Fixed Wing (FW) – covered when point of pickup is inaccessible by land vehicle, great distances, or other obstacles (* none of which are defined by the rule.) 7. Rotary Wing (RW) – same criteria as Fixed Wing
Slide 17	<p>F. Medical Necessity</p> <ul style="list-style-type: none"> 1. Medical condition contraindicates other means of transportation 2. Bed-confined 3. Final Rule added condition that medically requires ambulance transport, regardless of bed-confinement.

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MODULE CONTENT AND NOTES

Slide 18

G. Physician Certification

Slide 19

Ask students to describe the requirements for physician certification for non-emergency, scheduled transports and identify the new guidelines of the Final Rule before bringing up slide.

- Signed physician certification statement from attending physician within 48 hours
OR

New guidelines

- Signed physician certification from physician, physician assistant, nurse practitioner, clinical nurse specialist, registered nurse, or discharge planner employed by the hospital or patient's attending physician who knew the patient's condition at time of transport OR
- If unable to obtain statement within 21 days, may submit claim after attempts to obtain are documented by either a signed return receipt from Postal Service or other delivery service.

Slide 20

H. Other Requirements

Tell students that the Final Rule did not make any changes to Origins and Destinations, Vehicle and staff requirements, or Billing and Reporting requirements. Refer them to the Student Manual for a complete description of these requirements.

Slide 21

IV. AMBULANCE FEE SCHEDULE FINAL RULE

Slide 22

A. Base payment for air ambulance

1. Nationally uniform unadjusted base rate
2. Geographic adjustment factor

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MODULE CONTENT AND NOTES

	<p>B. Base payment for ground ambulance</p> <ol style="list-style-type: none"> 1. Nationally uniform relative value for service (RVU) 2. Geographic adjustment factor 3. Nationally uniform conversion factor (CF)
Slide 23	<p>C. RVU</p> <ol style="list-style-type: none"> 1. Represents relative resources associated with various levels of services 2. Based on 1998 claims and established by Negotiated Rulemaking Committee
Slide 24	<p>D. CF</p> <ol style="list-style-type: none"> 1. Based on total number of ambulance trips, loaded miles, and total charges allowed by Medicare. 2. Based on 1998 and set at \$170.54. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Refer students to the Student Manual, page 10 for a detailed explanation of how the conversion factor was determined.</p> </div>
Slide 25	<p>E. Emergency Response Adjustment Factor</p> <ol style="list-style-type: none"> 1. Accounts for additional costs incurred with an immediate response 2. Assigned to BLS and ALS1 levels only.
Slide 26	<p>F. Operational Variations – all ambulance companies, however organized, will be paid according to the fee schedule with the exception of Critical Access Hospitals that are the only ambulance provider within a 35 mile drive. (They are exempt.)</p>

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MODULE CONTENT AND NOTES

Slide 27

G. Geographic Adjustment Factor

1. Reflects relative cost of living variations among different areas of the country.
2. Equal to the Practice Expense portion of the Medicare Physician Fee Schedule.
3. Based on point of pick-up (not location of stations)
4. Applied to 70% of base payment rate for ground ambulance and 50% of base payment rate for air ambulance.
5. Does not apply to mileage payment rate.

Slide 28

H. Base Rate

Ask students who calculated the base rate for their own areas when reading through the Student Manual. If several students have this already calculated, have them share their findings with the class so they can see the difference by area.

If students did not calculate their base rate, take about 5 minutes and have them do so in class. Then compare their findings to demonstrate the effect of this factor.

Slide 29

I. Inflation Factor

1. Equal to the projected consumer price index for all urban consumers minus 1% point.
2. Calculations vary slightly for claims paid under cost payment and claims paid under reasonable charge system.

Review table of inflation factor on slide with students.

Slide 30

3. Fee schedule will be adjusted annually to account for inflation.

Slide 31

J. Mileage

1. Rate applies only to loaded miles.
2. Based on point of pickup
3. Zip code of point of pickup must be reported on each claim

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MODULE CONTENT AND NOTES

Slide 32

J. Service in Rural Areas

1. 50% increase to both mileage and base rate for air ambulance
2. Ground ambulance
 - a. 50% add-on to regular mileage rate for first 17 miles (\$8.21/mile)
 - b. 25% add-on for miles 18-50 (\$6.84/mile)
 - c. Regular mileage rate for miles over 50 (\$5.47/mile)

Slide 33

V. PAYMENT POLICIES

Slide 34

A. Mandatory Assignment

1. There is no transition period
2. Refers only to Medicare covered services, does not preclude billing for additional services (such as mileage to a facility beyond the nearest appropriate one)

Slide 35

B. Billing Codes

1. Basically the same as the HCPCS codes that were effective January 1, 2001
2. Two new codes added
 - a. Q3019 – ALS emergency transport, no ALS service
 - b. Q3020 – ALS transport, no ALS service

Refer students to Appendix C of the module for the chart of the final new codes.
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Slide 36

C. Billing Method

1. After transition period, only base rate code and mileage code will be used.
2. During transition, those who currently bill separately for services, supplies, and mileage may continue to do so.

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MODULE CONTENT AND NOTES

Slide 37

D. Multiple Patients

1. Two patients – 75% of base rate applicable to level of care to each patient.
2. Three or more patients – 60% of base rate applicable to level of care to each patient.
3. Mileage is prorated by number of patients transported.

Easel Chart
Marker

Give students a scenario and have them work through the reimbursement – use a base rate that one of the students calculated for their local area if at all possible:

Example: Three patients transported (calculated using rates from fee schedule)

Patient one receives BLS care
Patient two receives ALS1 care
Patient three receives ALS2 care

Patient one: (60% of BLS rate)	\$102.32
Patient two (60% of ALS1 rate)	\$122.79
Patient three (60% of ALS2 rate)	\$281.39
Total	\$506.41

Slide 38

E. BLS in ALS Vehicle

1. Reimbursement will be phased in.
2. Example, ALS furnishes only ALS assessment, 80% (for 2002) will be at ALS emergency rate, 20% will be at ALS1-Emergency rate.

Slide 39

F. Pronouncement of Death

1. Reimbursement based on when death is pronounced
2. If pronounced before ambulance called – no payment
3. If pronounced after ambulance called but prior to arrival – BLS base rate
4. If pronounced during transport – normal reimbursement

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MODULE CONTENT AND NOTES

Ask students how many of their services are allowed to pronounce patients at the scene if resuscitation is unsuccessful and do not transport.

Ask if they believe the wording “during transport” could affect reimbursement by Medicare.

* Since the answer to this is unknown and not in the final rule, this might be a good question to send to CMS.

Slide 40

G. Phase-In – the fee schedule will be phased in over 5 years with reimbursement being 100% of the fee scheduled percentage January 1, 2006.

Slide 41

VI. REIMBURSEMENT STRATEGIES

Slide 42

A. Causes of Claim Denial

1. Inappropriate/inaccurate codes
2. Losing charge information
3. Billing carriers incorrectly/irregularly
4. No written billing policies and procedures
5. Inappropriate/outdated forms and documents

Slide 43

B. Educating Personnel

1. Understand requirements of new rule
2. Know required information for claim approval
3. Assure billing and demographic information is present and accurate
4. Know billing policies and procedures
5. Access to necessary reference material

Slide 44

C. Training Resources

1. CMS Training Manual – available on-line at:
<http://www.hcfa.gov/medlearn/afsmanual.htm>
2. Local carrier/intermediaries – List available on-line at:
<http://www.hcfa.gov/medlearn/weblinks.htm>

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MODULE CONTENT AND NOTES

D. Other Strategies

Slide 45

1. Billing Software

- a. Allows for electronic billing
- b. Should research cost, capability, and training support before buying.
- c. Medicare offers variety of coding, practice, and fee analysis software. Available at: <http://www.hcfa-1500-forms.com/coding-software/index.html>.

Slide 46

2. Billing Service

- a. Several specialize in ambulance transport
- b. Use experienced personnel
- c. Customize reports
- d. May support personnel training
- e. May improve collection rates
- f. Should develop list of what services required before looking for billing service

Slide 47

3. Review Your Current Charge Structure – if the amount you bill is less than the fee schedule payment, Medicare will pay the lesser amount.

Slide 48

VII. SUMMARY

- A. Transition to new fee schedule will be easier if organizations invest time to assess strengths and weaknesses related to billing practices and educating members.
- B. Appendix D contains a checklist to assist in the assessment of organization billing practices

BIBLIOGRAPHY

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Centers for Medicare and Medicaid. (2002). *Medicare and Medicaid Provisions of Balanced Budget Act of 1997* [On-line], Available: <http://www.hcfa.gov/regs/bbaupdat.htm>

Code of Federal Regulations. (2001). *§42CFR410.41: Requirements for ambulance suppliers*. U.S. Government Printing Office: Washington, D.C.

Code of Federal Regulations. (2001). *§42CFR410.40: Coverage of ambulance services*. U.S. Government Printing Office: Washington, D.C.

Federal Register. (2001). *Vol 65, No. 212: Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2001*. U.S. Government Printing Office: Washington, D.C.

Health and Human Services. (2002). *HHS Fact Sheet*. [On-line], Available: <http://www.hhs.gov/news>

SUGGESTED READINGS

Centers for Medicare and Medicaid (2002). *CMS Training Manual*. [On-line], Available: <http://www.hcfa.gov/medlearn/afsmanual.htm>

Centers for Medicare and Medicaid (2001). *Negotiated Rulemaking Committee Minutes*. [On-line], Available: <http://www.hcfa.gov/medicare/ambmain.htm>

Appendix A: 2002 Fee Schedule

TABLE 1
2002 FEE SCHEDULE FOR PAYMENT OF AMBULANCE SERVICES

Service level	RVU	CF	Unadjusted base rate (UBR)+	Amount adjusted by GPCI (70% of UBR)	Amount not adjusted (30% of UBR)	Loaded mileage	Rural ground mileage (miles 1- 17)	Rural ground mileage (miles 18- 50)*
BLS	1.00	170.54	\$170.54	\$121.65	\$52.14	\$5.47	\$8.21	\$6.84
BLS-Emergency	1.60	170.54	272.86	191.00	81.86	5.47	8.21	6.84
ALS1	1.20	170.54	204.65	143.26	61.40	5.47	8.21	6.84
ALS1-Emergency	1.90	170.54	324.03	226.82	97.21	5.47	8.21	6.84
ALS2	2.75	170.54	468.99	328.29	140.70	5.47	8.21	6.84
SCT	3.25	170.54	554.26	387.98	166.28	5.47	8.21	6.84
PI	1.75	170.54	298.45	208.91	89.54	(1) No Mileage Rate		

Service level	Unadjusted base rate (UBR)	Amount adjusted by GPCI (50% of UBR)	Amount not adjusted (50% of UBR)	Rural air base rate**	Loaded mileage	Rural air mileage***
FW	\$2,314.51	\$1,157.26	\$1,157.26	\$3,471.77	\$6.57	\$9.86
RW	2,690.96	1,345.48	1,345.48	4,036.44	17.51	26.27

* A 50 percent add-on to the mileage rate (that is, a rate of \$8.21 per mile) for each of the first 17 miles identified as rural. A 25 percent add-on to the mileage rate (that is, a rate of \$6.84 per mile) for miles 18 through 50 identified as rural. The regular mileage allowance applies for every mile over 50 miles.

** A 50 percent add-on to the air base rate is applied to air trips identified as rural.

*** A 50 percent add-on to the air mileage rate is applied to every mile identified as rural.

The payment rate for rural air ambulance (rural air mileage rate and rural air base rate) is 50 percent more than the corresponding payment rate for urban services (that is, the sum of the base rate adjusted by the geographic adjustment factor and the mileage).

+ This column illustrates the payment rates without adjustment by the GPCI. The conversion factor (CF) has been inflated for CY 2002.

Legend for Table 1

ALS1 - Advanced Life Support, Level 1

ALS2 - Advanced Life Support, Level 2

BLS - Basic Life Support

CF - Conversion Factor

FW - Fixed Wing

GPCI - Practice Expense Portion of the Geographic Practice Cost Index from the Physician Fee Schedule

PI - Paramedic ALS Intercept

RVUs - Relative Value Units

RW - Rotary Wing

SCT - Specialty Care Transport

UBR - Unadjusted Base Rate

FORMULAS--The amounts in the above chart are used in the following formulas to determine the fee schedule payments--

Ground:

Ground-Urban:

$$\text{Payment Rate} = [(\text{RVU} * (0.30 + (0.70 * \text{GPCI}))) * \text{CF}] + [\text{MGR} * \# \text{MILES}]$$

Ground-Rural:

$$\text{Payment Rate} = [(\text{RVU} * (0.30 + (0.70 * \text{GPCI}))) * \text{CF}] + [(((1 + \text{RG1}) * \text{MGR}) * \# \text{MILES} \leq 17) + ((1 + \text{RG2}) * \text{MGR}) * \# \text{MILES} 18-50) + (\text{MGR} * \# \text{MILES} > 50)] \quad (\text{Sign before number 17 was erroneously published in the proposed rule.})$$

Air:

Air-Urban:

$$\text{Payment Rate} = [((\text{UBR} * 0.50) + ((\text{UBR} * 0.50) * \text{GPCI}))] + [\text{MAR} * \# \text{MILES}]$$

Air-Rural:

$$\text{Payment Rate} = [(1.00 + \text{RA}) * ((\text{UBR} * 0.50) * \text{GPCI})] + [(1.00 + \text{RA}) * (\text{MAR} * \# \text{MILES})]$$

Legend for Formulas

Symbol Meaning

#	less than or equal to
	greater than
*	multiply
CF	conversion factor (ground = \$159.56; air = 1.0)
GPCI	practice expense portion of the geographic practice cost index from the physician fee schedule
MAR	mileage air rate (fixed wing rate = 6.49, helicopter rate = 17.30)
MGR	mileage ground rate (5.40)
#MILES	number of miles the beneficiary was transported
#MILES \leq 17	number of miles the beneficiary was transported less than or equal to 17
#MILES ₁₈₋₅₀	number of miles beneficiary was transported between 18 and 50
#MILES $>$ 50	number of miles the beneficiary was transported greater than 50
RA	rural air adjustment factor (0.50 on entire claim)
Rate	maximum allowed rate from ambulance fee schedule
RG1	rural ground adjustment factor amount: first 17 miles (0.50 on first 17 miles)
RG2	rural ground adjustment factor amount: miles 18 through 50 (0.25 on miles 18 through 50)
RVUs	relative value units (from chart)
UBR	the payment rates without adjustment by the GPCI (unadjusted base rate)

NOTES: The GPCI is determined by the address (zip code) of the point of pickup.

Appendix B: Physician GPCI Fee Schedule and Practice Expense

DATE: Wednesday, November 1, 2000

**Addendum D.--2002 Geographic Practice Cost
Indices by Medicare Carrier and Locality**

Carrier No.	Locality No.	Locality name	Work	Practice Expense	Malpractice
00510	00	ALABAMA	0.978	0.870	0.807
00831	01	ALASKA	1.064	1.172	1.223
00832	00	ARIZONA	0.994	0.978	1.111
00520	13	ARKANSAS	0.953	0.847	0.340
02050	26	ANAHEIM/SANTA ANA, CA	1.037	1.184	0.955
02050	18	LOS ANGELES, CA	1.056	1.139	0.955
31140	03	MARIN/NAPA/SOLANO, CA	1.015	1.248	0.687
31140	07	OAKLAND/BERKELEY, CA	1.041	1.235	0.687
31140	05	SAN FRANCISCO, CA	1.068	1.458	0.687
31140	06	SAN MATEO, CA	1.048	1.432	0.687
31140	09	SANTA CLARA, CA	1.063	1.380	0.639
02050	17	VENTURA, CA	1.028	1.125	0.783
02050	99	REST OF CALIFORNIA *	1.007	1.034	0.748
31140	99	REST OF CALIFORNIA *	1.007	1.034	0.748
00824	01	COLORADO	0.985	0.992	0.840
10230	00	CONNECTICUT	1.050	1.156	0.966
00902	01	DELAWARE	1.019	1.035	0.712
00903	01	DC + MD/VA SUBURBS	1.050	1.166	0.909
00590	03	FORT LAUDERDALE, FL	0.996	1.018	1.877
00590	04	MIAMI, FL	1.015	1.052	2.528
00590	99	REST OF FLORIDA	0.975	0.946	1.265
00511	01	ATLANTA, GA	1.006	1.059	0.935
00511	99	REST OF GEORGIA	0.970	0.892	0.935
00833	01	HAWAII/GUAM	0.997	1.124	0.834
05130	00	IDAHO	0.960	0.881	0.497
00952	16	CHICAGO, IL	1.028	1.092	1.797
00952	12	EAST ST. LOUIS, IL	0.988	0.924	1.691
00952	15	SUBURBAN CHICAGO, IL	1.006	1.071	1.645
00952	99	REST OF ILLINOIS	0.964	0.889	1.157
00826	00	IOWA	0.959	0.876	0.596

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

00650	00 KANSAS *	0.963	0.895	0.756
00740	04 KANSAS *	0.963	0.895	0.756
00660	00 KENTUCKY	0.970	0.866	0.877
00528	01 NEW ORLEANS, LA	0.998	0.945	1.283
00528	99 REST OF LOUISIANA	0.968	0.870	1.073
31142	03 SOUTHERN MAINE	0.979	0.999	0.666
31142	99 REST OF MAINE	0.961	0.910	0.666
00901	01 BALTIMORE/SURR. CNTYS, MD	1.021	1.038	0.916
00901	99 REST OF MARYLAND	0.984	0.972	0.774
31143	01 METROPOLITAN BOSTON	1.041	1.239	0.784
31143	99 REST OF MASSACHUSETTS	1.010	1.129	0.784
00953	01 DETROIT, MI	1.043	1.038	2.738
00953	99 REST OF MICHIGAN	0.997	0.938	1.571
10240	00 MINNESOTA	0.990	0.974	0.452
10250	00 MISSISSIPPI	0.957	0.837	0.779
	METROPOLITAN KANSAS CITY,			
00740	02 MO	0.988	0.967	0.846
00523	01 METROPOLITAN ST. LOUIS, MO	0.994	0.938	0.846
00740	99 REST OF MISSOURI *	0.946	0.825	0.793
00523	99 REST OF MISSOURI *	0.946	0.825	0.793
00751	01 MONTANA	0.950	0.876	0.727
00655	00 NEBRASKA	0.948	0.877	0.430
00834	00 NEVADA	1.005	1.039	1.209
31144	40 NEW HAMPSHIRE	0.986	1.030	0.825
00805	01 NORTHERN NJ	1.058	1.193	0.860
00805	99 REST OF NEW JERSEY	1.029	1.110	0.860
00521	05 NEW MEXICO	0.973	0.900	0.902
00803	01 MANHATTAN, NY	1.094	1.351	1.668
00803	02 NYC SUBURBS/LONG I, NY	1.068	1.251	1.952
	POUGHKPSIE/N NYC SUBURBS,			
00803	03 NY	1.011	1.075	1.275
14330	04 QUEENS, NY	1.058	1.228	1.871
00801	99 REST OF NEW YORK	0.998	0.944	0.764
05535	00 NORTH CAROLINA	0.970	0.931	0.595
00820	01 NORTH DAKOTA	0.950	0.880	0.657
16360	00 OHIO	0.988	0.944	0.957
00522	00 OKLAHOMA	0.968	0.876	0.444

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

00835	01 PORTLAND, OR	0.996	1.049	0.436
00835	99 REST OF OREGON	0.961	0.933	0.436
	METROPOLITAN			
00865	01 PHILADELPHIA, PA	1.023	1.092	1.413
00865	99 REST OF PENNSYLVANIA	0.989	0.929	0.774
00973	20 PUERTO RICO	0.881	0.712	0.275
00870	01 RHODE ISLAND	1.017	1.065	0.883
00880	01 SOUTH CAROLINA	0.974	0.904	0.279
00820	02 SOUTH DAKOTA	0.935	0.878	0.406
05440	35 TENNESSEE	0.975	0.900	0.592
00900	31 AUSTIN, TX	0.986	0.996	0.859
00900	20 BEAUMONT, TX	0.992	0.890	1.338
00900	09 BRAZORIA, TX	0.992	0.978	1.338
00900	11 DALLAS, TX	1.010	1.065	0.931
00900	28 FORT WORTH, TX	0.987	0.981	0.931
00900	15 GALVESTON, TX	0.988	0.969	1.338
00900	18 HOUSTON, TX	1.020	1.007	1.336
00900	99 REST OF TEXAS	0.966	0.880	0.956
00910	09 UTAH	0.976	0.941	0.644
31145	50 VERMONT	0.973	0.986	0.539
00973	50 VIRGIN ISLANDS	0.965	1.023	1.002
10490	00 VIRGINIA	0.984	0.938	0.500
00836	02 SEATTLE (KING CNTY), WA	1.005	1.100	0.788
00836	99 REST OF WASHINGTON	0.981	0.972	0.788
16510	16 WEST VIRGINIA	0.963	0.850	1.378
00951	00 WISCONSIN	0.981	0.929	0.939
00825	21 WYOMING	0.967	0.895	1.005

*Payment locality is serviced by two carriers.

Note: Work GPCI is the 1/4 work GPCI required by Section 1848(e)(1)(A)(iii) of the Social Security Act. GPCIs rescaled by the following factors for budget neutrality: Work = 0.99699; Practice Expense = 0.99235; Malpractice Expense 1.00215.

DATE: Wednesday, November 1, 2000

**Addendum D.--2002 Geographic Practice Cost
Indices by Medicare Carrier and Locality**

Carrier No.	Locality No.	Locality name	Practice Expense
00510	00	ALABAMA	0.870
00831	01	ALASKA	1.172
00832	00	ARIZONA	0.978
00520	13	ARKANSAS	0.847
02050	26	ANAHEIM/SANTA ANA, CA	1.184
02050	18	LOS ANGELES, CA	1.139
31140	03	MARIN/NAPA/SOLANO, CA	1.248
31140	07	OAKLAND/BERKELEY, CA	1.235
31140	05	SAN FRANCISCO, CA	1.458
31140	06	SAN MATEO, CA	1.432
31140	09	SANTA CLARA, CA	1.380
02050	17	VENTURA, CA	1.125
02050	99	REST OF CALIFORNIA *	1.034
31140	99	REST OF CALIFORNIA *	1.034
00824	01	COLORADO	0.992
10230	00	CONNECTICUT	1.156
00902	01	DELAWARE	1.035
00903	01	DC + MD/VA SUBURBS	1.166
00590	03	FORT LAUDERDALE, FL	1.018
00590	04	MIAMI, FL	1.052
00590	99	REST OF FLORIDA	0.946
00511	01	ATLANTA, GA	1.059
00511	99	REST OF GEORGIA	0.892
00833	01	HAWAII/GUAM	1.124
05130	00	IDAHO	0.881
00952	16	CHICAGO, IL	1.092
00952	12	EAST ST. LOUIS, IL	0.924
00952	15	SUBURBAN CHICAGO, IL	1.071
00952	99	REST OF ILLINOIS	0.889
00826	00	IOWA	0.876

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

00650	00 KANSAS *	0.895
00740	04 KANSAS *	0.895
00660	00 KENTUCKY	0.866
00528	01 NEW ORLEANS, LA	0.945
00528	99 REST OF LOUISIANA	0.870
31142	03 SOUTHERN MAINE	0.999
31142	99 REST OF MAINE	0.910
00901	01 BALTIMORE/SURR. CNTYS, MD	1.038
00901	99 REST OF MARYLAND	0.972
31143	01 METROPOLITAN BOSTON	1.239
31143	99 REST OF MASSACHUSETTS	1.129
00953	01 DETROIT, MI	1.038
00953	99 REST OF MICHIGAN	0.938
10240	00 MINNESOTA	0.974
10250	00 MISSISSIPPI	0.837
00740	METROPOLITAN KANSAS CITY, 02 MO	0.967
00523	01 METROPOLITAN ST. LOUIS, MO	0.938
00740	99 REST OF MISSOURI *	0.825
00523	99 REST OF MISSOURI *	0.825
00751	01 MONTANA	0.876
00655	00 NEBRASKA	0.877
00834	00 NEVADA	1.039
31144	40 NEW HAMPSHIRE	1.030
00805	01 NORTHERN NJ	1.193
00805	99 REST OF NEW JERSEY	1.110
00521	05 NEW MEXICO	0.900
00803	01 MANHATTAN, NY	1.351
00803	02 NYC SUBURBS/LONG I., NY	1.251
00803	POUGHKPSIE/N NYC SUBURBS, 03 NY	1.075
14330	04 QUEENS, NY	1.228
00801	99 REST OF NEW YORK	0.944
05535	00 NORTH CAROLINA	0.931
00820	01 NORTH DAKOTA	0.880
16360	00 OHIO	0.944
00522	00 OKLAHOMA	0.876

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

00835	01 PORTLAND, OR	1.049
00835	99 REST OF OREGON	0.933
	METROPOLITAN	
00865	01 PHILADELPHIA, PA	1.092
00865	99 REST OF PENNSYLVANIA	0.929
00973	20 PUERTO RICO	0.712
00870	01 RHODE ISLAND	1.065
00880	01 SOUTH CAROLINA	0.904
00820	02 SOUTH DAKOTA	0.878
05440	35 TENNESSEE	0.900
00900	31 AUSTIN, TX	0.996
00900	20 BEAUMONT, TX	0.890
00900	09 BRAZORIA, TX	0.978
00900	11 DALLAS, TX	1.065
00900	28 FORT WORTH, TX	0.981
00900	15 GALVESTON, TX	0.969
00900	18 HOUSTON, TX	1.007
00900	99 REST OF TEXAS	0.880
00910	09 UTAH	0.941
31145	50 VERMONT	0.986
00973	50 VIRGIN ISLANDS	1.023
10490	00 VIRGINIA	0.938
00836	02 SEATTLE (KING CNTY), WA	1.100
00836	99 REST OF WASHINGTON	0.972
16510	16 WEST VIRGINIA	0.850
00951	00 WISCONSIN	0.929
00825	21 WYOMING	0.895

Appendix C: HCPCS Codes

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

Codes Not Valid Under the New Fee Schedule (Codes Terminate Effective 01/01/06):

A0382, A0384, A0392, A0396, A0398, A0420, A0422, A0424, A0999

HCPCS Code Changes:

Current HCPCS Code	New HCPCS Code	Descriptions of Final New Codes
A0380, A0390	A0425	Ground mileage (per statute mile).
A0306, A0326, A0346, A0366	A0426	Ambulance service, advanced life support, non-emergency transport, level 1 (ALS1).
A0310, A0330, A0350, A0370	A0427	Ambulance service, advanced life support, emergency transport, level 1 (ALS1-Emergency).
A0300, A0304*, A0320, A0324*, A0340, A0344*, A0360, A0364*	A0428	Ambulance service, basic life support, non-emergency transport (BLS).
A0050, A0302, A0308**, A0322, A0328**, A0342, A0348**, A0362, A0368**	A0429	Ambulance service, basic life support, emergency transport (BLS-Emergency).
A0030	A0430	Ambulance service, conventional air services, transport, one way (fixed wing (FW)).
A0040	A0431	Ambulance service, conventional air services, transport, one way (rotary wing (RW)).
Q0186	A0432	Paramedic ALS intercept (PI), rural area, transport furnished by a volunteer ambulance company which is prohibited by State law from billing third party payers.
	A0433	Advanced life support, Level 2 (ALS2). The administration of at least three different medications and/or the provision of one or more of the following ALS procedures: Manual defibrillation/cardioversion, endotracheal intubation, central venous line, cardiac pacing, chest decompression, surgical airway, intraosseous line.
	A0435	Air mileage; fixed wing (per statute mile).
	A0436	Air mileage; rotary wing (per statute mile).

AMBULANCE FEE SCHEDULE FINAL RULE AND REIMBURSEMENT STRATEGIES

	A0434	Specialty Care Transport (SCT). In a critically injured or ill beneficiary, a level of inter-facility service provided beyond the scope of the Paramedic. This service is necessary when a beneficiary's condition requires ongoing care that must be provided by one or more health professionals in an appropriate specialty area (for example, nursing, emergency medicine, respiratory care, cardiovascular care, or a paramedic with additional training).
	Q3019	Ambulance service, Advanced Life Support (ALS) vehicle used, emergency transport, no ALS level service furnished
	Q3020	Ambulance service, Advanced Life Support (ALS) vehicle used, non-emergency transport, no ALS level service furnished

* A new code will be established to indicate during the transition period that where an ALS vehicle was used in a non-emergency situation to furnish only BLS services, the service will be ALS-nonemergency for the old portion of the blended payment and BLS for the Fee Schedule portion of the blended payment.

** A new code will be established to indicate during the transition period that where an ALS vehicle was used in an emergency response and furnished only BLS services, the service will be ALS-Emergency for the old portion of the blended payment and BLS-Emergency for the Fee Schedule portion of the blended payment.

Appendix D:

Organization Checklist

ORGANIZATION ASSESSMENT CHECKLIST

- [] Identify Levels of Service provided
- [] Calculate base rate for each level for each year of phase-in using the Ambulance GPCI (Physician Practical Expense factor).
- [] Review current billing rate to determine estimated effect (increase or decrease in revenue)
 - If current rates are lower than allowed fee, consider restructuring fee schedule
- [] Review collection rates/bad debts/claim denials
 - Contact intermediary to determine cause of claim denial, isolate primary causes
 - Review existing billing cycles; secondary billing procedures
- [] Review existing billing policies and procedures
 - Assess advantages versus cost of electronic billing if not currently using this method.
 - Are forms in use current?
 - Are claims submitted regularly?
 - What is the average claims processing time?
- [] Revise and update billing policies and procedures to address fee schedule requirements
- [] Assess knowledge and experience of current billing personnel
 - Are personnel knowledgeable regarding whom to contact for questions?
 - Is correct contact information for questions to insurance carriers available?
- [] Consider advantages of billing service
 - If currently using a billing service, contact and discuss their actions regarding the fee schedule
 - What changes are required in the current submission practices of the organization?
 - Will they provide training to organization personnel?
- [] Assess current knowledge level of personnel regarding billing requirements
- [] Arrange for training officer to conduct training of personnel

- CMS Training Manual
- Intermediary-provided training

[] Assure resources are available to all personnel

- HCPCS Codes
- Zip codes, etc.